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ABSTRACT

This report provides background and data from an investigation of New York City's summer youth employment program. It concludes that the program was poorly planned and poorly administered by both the Department of Labor and the city. Although some of the worksites visited were providing useful work experience to enrolled youths, over half of the worksites had serious problems, such as insufficient work or absent enrollees recorded as present. In these instances, program objectives may have been defeated by fostering bad work habits and paying salaries for little or no work. The following factors contributed to the problems found: (1) inadequate planning resulted in an insufficient number of productive jobs and a lack of control over program operations and over the use of Federal funds; (2) project sponsors from previous years were generally refunded with little consideration of their past performance and major sponsors were automatically refunded; (3) the methods used to register youths gave rise to questions about the income eligibility of some of the enrollees and reportedly resulted in all-night lines and rowdyism; (4) monitors were inadequately trained, many worksites were not visited, and problems noted were frequently not followed up on to insure corrective action. (Author/EB)

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REPORT BY THE U.S.

General Accounting Office

Poor Administration Of The 1977 Summer Program For Economically Disadvantaged Youth In New York City

At the request of Congresswoman Elizabeth Holtzman, GAO reviewed this employment program and found serious problems in planning, registration of youths, monitoring, coordination, and staffing.

Youths were not given enough work and were certified as present at jobs during periods when they were absent--practices that teach poor work habits.

Drastic improvements in management are needed by both the Department of Labor and New York City.

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UDO 18691

HRD-78-123
JULY 26, 1978

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES
DIVISION

B-163922

The Honorable Elizabeth Holtzman
House of Representatives

Dear Ms. Holtzman:

This report is in response to your request on the operation of New York City's 1977 Summer Program for Economically Disadvantaged Youth funded by the Department of Labor, under title III of the Comprehensive Employment and Training Act of 1973 (29 U.S.C. 874). The program was established to enhance the future employability of economically disadvantaged youths by providing them with useful work experience. In 1977, Labor granted the city $35 million to operate this program which provided 7 weeks employment for about 70,000 city youths at projects operated by 138 private and public nonprofit agencies.

SCOPE OF REVIEW

We reviewed program operations and administration to determine whether program objectives were being met. In addition to reviewing rules, regulations, and procedures as applied to the New York City program, we reviewed the operations of 6 of the city's 138 project sponsors. The six sponsors we selected were large--each employed over 1,000 youths; each had participated in the 1976 program; and some had received high and some low ratings from the city on their 1976 performances. Other factors considered were your interest and the need for geographical coverage. Our work included discussions with Department of Labor, city, and project sponsor officials, as well as with some program enrollees.

We also met with an official of the New York State Education Department which sponsored the summer feeding program. This program, funded by the U.S. Department of Agriculture, provided summer meals in economically deprived areas. The meal sites were often worksites for enrollees of the Summer Program for Economically Disadvantaged Youth.

MAJOR PROBLEMS IN PROGRAM OPERATIONS AND ADMINISTRATION

As we indicated during our briefings, New York City's program was poorly planned and poorly administered by both the Department of Labor and New York City. But in spite of this, some of the worksites we visited were providing useful work experience to enrolled youths. However, over half of the worksites had serious problems, such as insufficient work or absent enrollees recorded as present. In these instances, program objectives may have been defeated by fostering bad work habits and paying salaries for little or no work.

The following factors contributed to the problems we found:

--Inadequate planning resulted in an insufficient number of productive jobs and a lack of control by the city over program operations and over the use of Federal funds.

--Project sponsors from previous years were generally refunded with little consideration of their past performance; major sponsors were automatically refunded.

--The methods used to register youths gave rise to questions about the income eligibility of some of the enrollees and reportedly resulted in all-night lines and rowdyism.

--Monitors were inadequately trained, many worksites were not visited, and problems noted were frequently not followed up on to insure corrective action. (Monitors frequently did not address the most important matter--the effectiveness of the program they were observing.)

Responding to your criticism, Labor officials claimed that past years' programs had been regarded largely as income maintenance programs, but that the 1977 program would provide useful work experience. However, the groups operating the program did not effectively implement Labor's new policy. We saw little evidence of efforts by Labor to assure that this intention was carried out, or that the city tried to meet the objectives set forth in its grant.

At a June 6, 1977, meeting, regional Labor officials discussed with you improvements they had planned for the 1977 program. Unfortunately, little was accomplished by the actions that were taken. For instance, Labor required the city to evaluate project sponsors' past performance after preliminary selection had already been made. Although an evaluation was conducted, the results were too late to have an effect on sponsor selection. Labor did not take adequate action to make certain that the intended results of the evaluation were achieved. If its actions had been timely and fully implemented, they would have acquired better control over the program.

After your July 31, 1977, press conference addressing some of these problems, the Secretary of Labor assembled a task force to review New York City's program and to recommend changes which would strengthen the program both in the city and nationwide. Their findings were similar to our observations.

Details of the results of our review are contained in appendix I.

OUR OTHER REPORTS ON THE SUMMER YOUTH EMPLOYMENT PROGRAM

We have discussed operational and managerial weaknesses in this program, both in New York City and nationwide in other reports. A report to Congressman Fred Richmond on "Payment Problems in the Summer Youth Employment Program in New York City" (Feb. 2, 1977, HRD-77-18) reported that some enrollees were not paid at all while others were paid incorrectly or paid late. A report to Congressman Parren J. Mitchell on "Information on the Summer Youth Employment Program" (June 27, 1977, HRD-77-121) contained a synopsis of our reports on this program as far back as its predecessor, the Neighborhood Youth Corps. Problems identified were similar to our observations in New York City's program and included lack of meaningful work, inadequate monitoring by Labor, and payroll problems including enrollees being paid for more time than they actually worked.

RECOMMENDATIONS

For future summer youth employment programs in New York City, we are recommending that the Secretary of Labor:

--Set firm planning deadlines with specific Labor involvement, to be certain that the evolving program is designed to meet program objectives. The planning should include a guarantee that an adequate number of jobs are available for the enrollees and that project and work sponsors understand and comply with the intent and goals of the program.

--Require that all sponsors' selections are based on the merits of proposals and effectiveness of past performance. Mediocre or poor program operators should not be retained in the program unless they can clearly show how improvements will be made.

--Work with the city to develop a better method of conducting registration to eliminate all-night lines and rowdyism. The new procedure should match youths with work in which they have some interest.

--Require the city to strengthen its monitoring procedures. This would include assuring that monitoring begins when the program begins; that monitors have adequate training to evaluate program operations; that evaluation forms are complete and accurate; that problems noted are followed up on; and that all worksites and program sponsors are visited at least once during program operations.

--Require effective coordination between the Summer Program for Economically Disadvantaged Youth and the Federal summer feeding program.

--Require the city to revise the income eligibility form to provide a penalty for falsification of data.

--Require that the city devise a time card which specifies a penalty for falsification and ensure that project sponsors are informed that enrollees are not to be paid for work when they are absent. Prime sponsor monitors should be required to record time and attendance during their site visits and check them against submitted time cards. Any differences should be resolved before an enrollee is paid for the period in question.

We also recommend that the Secretary increase the number of Labor monitors for the summer youth program in New York City and make certain that these monitors can devote adequate resources to oversight of this program. If problems persist with the New York City program, the Secretary should explore alternate methods of delivering the program.

AGENCY COMMENTS

Although comments were requested from the Department of Labor on May 18, 1978, they were not received at the time this report was printed. We requested and received comments from New York City. (See app. II.)

The city concurred with the basic findings of our report. It noted that the program from its inception had been plagued by administrative and programmatic problems because of internal deficiencies in the administrative structure of the program and inherent weaknesses in the program's design. The city pointed out specific changes that are being implemented in the 1978 program. Actions planned, if aggressively pursued, should result in improved operations.

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As agreed with you, we plan to make no further distribution of this report until 4 days following its issuance, and at that time, we plan to send a copy to the Director, Office of Management and Budget; the Secretary of Labor; and to other interested parties.

We trust this report serves your purposes.

Sincerely yours,

Gregory J. Ahart
Director

Contents

		Page
APPENDIX		
I	ADMINISTRATIVE WEAKNESSES IN NEW YORK CITY'S 1977 SUMMER PROGRAM FOR ECONOMICALLY DISADVANTAGED YOUTH	1
	OVERVIEW OF NEW YORK CITY'S 1977 PROGRAM	1
	PROBLEMS WITH PROGRAM OPERATIONS	3
	Not enough work	3
	Paid absences	4
	Other problems at worksites	6
	Major program components largely undeveloped	8
	POOR PROGRAM ADMINISTRATION	10
	Planning problems	11
	Registration problems	17
	Monitoring problems	20
	Limited coordination with the summer feeding program	24
	Labor and city staffing	25
	CONCLUSIONS	26
	RECOMMENDATIONS	27
II	Letter dated June 14, 1978, from the Commissioner, Department of Employment, of the City of New York	29

ADMINISTRATIVE WEAKNESSES IN NEW YORK CITY'S 1977 SUMMER PROGRAM FOR ECONOMICALLY DISADVANTAGED YOUTH

The Summer Program for Economically Disadvantaged Youth administered by the Labor Department provides summer jobs to economically disadvantaged young people. The program is authorized by title III of the Comprehensive Employment and Training Act of 1973, as amended, to provide useful work experience that should enhance the future employability of participants. It is intended to provide remedial education, counseling, and vocational exploration to complement work experience.

The program is intended to provide jobs to economically disadvantaged youths who are 14 through 21 years of age and live in households on welfare or with incomes relative to family size which are equal to or below the national poverty income standards set by the Office of Management and Budget. The program may include (1) youths who are enrolled in school but face serious financial problems in staying in school, (2) youths who face serious financial problems as well as possess little motivation to stay in school, and (3) school dropouts who face serious problems in obtaining jobs due to lack of education or skill.

OVERVIEW OF NEW YORK CITY'S 1977 PROGRAM

City officials estimated that in 1977, there were about 700,000 economically disadvantaged youths in New York City. For many of these youths, this was their only opportunity for employment as the annual teenage unemployment rate in New York City averaged 30.2 percent. The unemployment rate among minority youths was significantly higher--66.3 percent for males and 50.2 percent for females.

About 70,000 youths were enrolled in the program, working 24 hours a week for 7 weeks, at $2.30 an hour. To complement their work experience and help enhance their future employability, the program provided counseling and some training or remedial education.

The city's 1977 program was funded at $35 million, about the same level as in 1976. However, due to problems in the 1976 program and an increase in staff monitoring of the program

in an attempt to prevent a repetition of these problems, administrative expenses rose from $2.86 million in 1976, to $4.88 million in 1977. This increase resulted in a reduction in the number of youths employed by the program from 77,652 to about 70,000.

New York City's 1977 program was administered on several levels. The primary grant was from Labor to the city which was the prime sponsor. The city, through its Department of Employment, then contracted with 138 public and private nonprofit agencies to provide jobs and supervision for enrollees. These agencies, known as project sponsors, were reimbursed for costs incurred in providing the services. Many of the project sponsors delegated the responsibility for providing jobs and supervision to work sponsors who were not reimbursed for their expenses.

Work sponsors were public or private nonprofit organizations that had work for participants to do. These organizations agreed to not only provide jobs, but also to provide adequate job supervision, adequate attendance and payroll procedures, and to uphold program regulations. Enrollees were paid by the city, not by the work sponsor.

Enrollees were employed at about 5,200 local worksites. Most of the worksites were in New York City, however, there were some camp worksites in upstate New York. The city employed a staff of about 200 to monitor program operations at the worksites and provide feedback.

As stated in the grant agreement, the city's overall purpose was to develop good work habits and attitudes through work assignments, and assist youths in developing an awareness of their role in the community. Specifically, the city's goals were to

--encourage youths enrolled in school to continue their education and maintain their academic standing by providing them jobs and remedial training and counseling and

--help out-of-school youths to develop a realistic career plan and provide them with needed training and counseling to overcome significant barriers to employment.

PROBLEMS WITH PROGRAM OPERATIONS

To determine whether goals were being met, we visited 18 worksites--3 sites of each of the 6 project sponsors we selected for review. The work activities at these sites included clerical, maintenance, recreational, day camp counseling, lunch distribution, and consumer affairs functions. A total of about 580 enrollees were assigned to the 18 work locations.

Several of the sites offered work activities consistent with program goals. For example, one site employing 11 youths offered 3 types of work, with each youth experiencing all 3 jobs. The work involved taking consumer surveys, performing office duties such as filing and typing, and doing elementary bookkeeping. At another worksite, good work habits and a sense of responsibility were encouraged because the site supervisor would not tolerate insubordination or laziness and generally had enough work for enrollees to do. At another site, English language was taught and a sense of responsibility was fostered by requiring enrollees to write a weekly theme paper.

However, at 13 of the 18 sites there was not enough work available to keep enrollees busy or enrollees were paid for time absent. We regard these as particularly serious problems. We also found that major program components--remedial education, counseling, and vocational exploration--were largely undeveloped.

Not enough work

Half of the sites we visited were not providing all enrollees with enough work. We noted some enrollees who were unoccupied within or loitering outside the work locations, engaged in purely recreational activities, or were allowed to leave work early. We were told by several site officials that the problem resulted from assigning too many enrollees to a site or planned activities not materializing or both. The following examples demonstrate the problem.

1. A work sponsor was to employ about 76 enrollees to distribute meals to and supervise recreational activities of children served by the federally funded summer feeding program. Neither activity materialized because the city delayed approval of the work sponsor as a food sponsor. During the program's second week, the city and our staff jointly

visited the work sponsor and observed enrollees loitering unsupervised outside the premises. Worksite supervisors told us that the enrollees had been going on recreational outings to beaches and parks. Neither the work sponsor nor the project sponsor advised the city of the food sponsorship problem nor developed alternate work activity. In addition, the work sponsor was not able to adequately account for enrollees. The city, after confirming the preliminary observations through a second visit, ordered the site closed and enrollees reassigned.

2. A day camp was assigned more enrollees than it could productively employ as counselors. Consequently, none of the enrollees were required to work a full workweek, and some were employed as other than counselors, contrary to the work agreement. The camp director told us that the enrollees worked from 16 to 19 hours a week instead of the required 24. He had sought unsuccessfully to have some enrollees reassigned through the project sponsor. On the day of our visit, we observed five enrollees apparently taking young children on an outing. The other 15 enrollees had left for the day by 12:30 p.m.

3. A work sponsor planned to use 26 enrollees in day camp, recreational, and meal distribution activities. The site supervisor told us that there was little work activity at times because a permit obtained from a city agency to close a one-block section of a street as a playstreet was superseded by another city agency's permit to raze a building on the block. Although the planned demolition was delayed, the playstreet permit was not restored. On the day we visited the site, some enrollees were occupied with child care activities, but at least nine were idle for the whole morning.

Paid absences

It appeared that many enrollees were paid for days absent, as opposed to Labor's program regulations. This is not a realistic work situation and does not help the enrollee learn good work habits.

We examined payroll records for enrollees absent on the dates we visited their worksites and also for those enrollees reported absent by city staff during their selected worksite visits. Eighty of 96 enrollees (about 83 percent) found absent by us or city staff had been or were scheduled to be paid for the dates in question. Details are as follows:

Attendance check made by	Number of sites	Total site enrollment	Number of sites with absent enrollees	Number of enrollees	
				Absent	Absent and paid or scheduled to be paid for absence
GAO	a/14	321	9	39	35
City	24	667	12	57	45
	38	988	21	96	80

a/Does not include four worksites which did not have a complete roster of enrollees. We were unable to verify attendance at these sites.

The problem is further demonstrated by the following examples:

--A limited check of past attendance records at three sites we visited showed eight enrollees absent a total of 15 days before our visit. Payroll records, however, showed the employees scheduled to be paid for the days in question.

--A project sponsor's site visit reports for two sites showed an enrollee at one site absent due to hospitalization and an enrollee at another site absent because he was out of town due to an automobile breakdown. Both were paid for the day in question.

The problem of paid absences is due to miscertification of time cards--enrollees marked present when they were absent. It was ruled that payment be made only for actual hours of work. City regulations require that time cards be initialed daily by the enrollees and certified biweekly by enrollees and their supervisors. The city was not to process the payroll without a complete time card submitted by project sponsors for each enrollee.

Disregarding the regulations, 11 of the 18 sites we visited did not update time cards daily. Of the 11, 4 did not maintain daily attendance records while 7 used sign-in sheets. These lax procedures may explain some of the payroll errors. However, we also found that sites following prescribed procedures misreported attendance.

Other problems at worksites

Other problems at worksites observed included

--an unsanitary facility with paint peeling in an area where food was served,

--one site at which the only toilet did not work,

--enrollees at two worksites carrying out the duties of the vendors (unloading food from the trucks of the summer feeding program), and

--activities at nine worksites that did not conform to the work sponsor agreements.

We also discovered one case in which an enrollee at one worksite was the son of the project sponsor's executive director. The participant was terminated from the program and the matter was referred for further investigation by the appropriate city agency because of questionable income eligibility. Even after the enrollee was terminated, we discovered that his time card had been submitted by the project sponsor and payroll was processed. After we told the city's program director, the enrollee's paycheck was withheld.

A November 1977 report of Labor's Office of Special Investigations and Review Task Force reported similar problems at New York City program worksites. The Secretary of Labor ordered the investigation in response to our preliminary observations on the program conveyed to Congresswoman Elizabeth Holtzman. In addition to the problems we found, Labor reported other program irregularities including enrollees participating in sectarian or political activities and working under hazardous conditions.

The report also identified a possible kickback situation and noted that certain work sponsors were profitmaking organizations, contrary to Labor's program regulations. The report

recommended that the city be required to repay Labor about $118,000 due to insufficient, ineligible, or illegal activities at worksites.

The Deputy Assistant Secretary of Labor for Employment and Training told us that before 1977, the program had been administered with an emphasis to provide income rather than instill good work habits. In the 1977 program, emphasis was on work experience, job opportunities, and training. However, comments made to us by several project and work sponsor officials show that in 1977, the income-maintenance-program attitude continued. One project sponsor director said that in prior years enrollees were usually paid whether they worked or not. Another official from the project stated that in his experience, supervisors at worksites were casual regarding work rules.

We found that several site supervisors were lenient regarding hours of duty. For example, a work sponsor supervisor told us that he seldom docked enrollees for not complying with work hours, because he viewed the program as a welfare program and participants should not be denied pay. This site was previously mentioned as allowing enrollees to work 16 to 19 hours of the 24-hour workweek (see p. 4).

We discussed these problems with regional Labor and city officials. City officials subsequently examined their own monitoring reports to determine whether those individuals reported as absent by city monitors actually received pay. Although this examination was conducted after the program ended, it indicated that the problem was severe. Partial preliminary results of the city's study showed a high incidence of enrollees paid when absent. One of the seven city area managers of the program told us that his compilation showed that 100 of approximately 150 enrollees reported absent by monitors were paid for the dates of their absences.

City monitors usually recorded absences during their visits to worksites. However, there was no procedure to refer the absentees' names to the payroll section to assure that the enrollee would not be paid for the time absent. The city's program director told us that such a procedure was being considered for the 1978 program.

Major program components largely undeveloped

The city planned remedial education, counseling, and vocational exploration as major program components of its program to complement work experience.

--Remedial education was to include such services as classroom training to enhance participant employability by upgrading basic skills in math and reading.

--Counseling services were to assist enrollees by providing guidance in how best to achieve occupational goals and how to cope with problems that interfere with goal attainment.

--Project contractors were also to provide help in vocational exploration and labor market orientation, such as career guidance, testing, job interview techniques, and resume preparation.

Although some counseling and remedial education was provided, this program component seems to have been largely ignored. For example, at three of the six project sites we visited, work statements did not provide for specific personnel, budget for counseling, or remedial education. Such services could have benefited the youths in this program. Since this was a major component of the city's program, the city should have taken steps to assure that these services were well planned and were provided. If Labor had adequately monitored operations, it would have questioned whether the city was fulfilling the requirements of the grant.

Program requirements

The city's 1977 grant agreement specified that it would provide services such as assessments of each enrollee's needs, job preferences, and goals; remedial education; counseling; and vocational exploration in addition to work experience. The grant further provided that such assessments be made before the start of the program. This would permit the development of a plan of work experience, training, and services to

--enhance the future employability of in-school youth and

APPENDIX I

--increase the potential for out-of-school youths to attain planned occupational goals.

During the program, counseling and remedial education were to be provided to encourage in-school youths to remain in school and maintain their academic standing and also to help out-of-school youths to develop realistic career plans and overcome significant employment barriers. Counseling services were to be provided on an individual or group basis over the course of the program to assist enrollees in coping with problems, provide vocational guidance, and refer participants to manpower and other needed services within and outside the project. Both the assessment and counseling were intended to identify participants' remedial needs such as English language coaching where necessary.

The need for these services is demonstrated by the fact that dropout-prone and out-of-school youths comprised 80 percent of the program's targeted constituency. Many of these youths were expected to face significant employment barriers.

Little done to fulfill grant requirements

City contracts require sponsors to maintain a file on each enrollee, containing the assessment of the individual and a record of services provided. After the 1977 program operations had ended, we reviewed a total of 143 files of enrollees assigned to the various worksites we had visited. We found that files of only one project sponsor (22 files) included individual assessment reports, while none of the files contained documentation of other services.

In discussing this matter with project sponsors, we learned that one of the sponsors had conducted assessments but had not documented them in enrollee files; another claimed the assessments were confidential and had been destroyed. Officials of the other three project sponsors which did not have assessment reports on file stated that although a formal assessment was not conducted, enrollee interests were considered in making assignments.

Project sponsors' counseling programs were generally understaffed, unstructured, and conducted on an informal basis with minimal documentation of activities. Of the three sponsors employing counselors, one employed one counselor to serve approximately 1,000 enrollees. Two other

projects were authorized 10 and 31 counselor positions to serve about 1,800 and 3,100 enrollees, respectively. The remaining sponsors told us they relied on the summer program staff to handle enrollees' counseling needs.

Only one sponsor's counseling program appeared structured, that is, it was adequately staffed, had a planned schedule of activities, and documented the counseling provided. Representatives of this sponsor visited all worksites, and provided both group and individual counseling. Only one other project sponsor documented any counseling activities. The counselor's reports showed that counseling was provided on both a group and individual basis at 25 of the 76 worksites. With the exception of the one project noted above with a counseling schedule, the projects provided counseling only when problems were noted or when specifically requested.

At the time of our visits, which were conducted while the program was going on, officials at 15 of the 18 worksites stated that project sponsors had not provided counseling or remedial education services. Officials at several worksites were not aware that project sponsors were required to provide these services.

We were told by some worksite officials that some of their enrollees needed remedial education. One site director had developed his own remedial English and math program because, based on past experience, he did not believe he could rely on the project sponsor for these services. At another worksite, the supervisor provided English language training to Spanish-speaking enrollees; at two other worksites, supervisors recognized remedial needs, but could not provide the needed services.

The Labor task force studying the city's program also reported that these services were generally not provided. The city's program director told us that she believed many of the project sponsors were not providing the required services.

POOR PROGRAM ADMINISTRATION

As a result of problems in past years and criticism by Congresswoman Holtzman, Labor officials agreed that improvements would be made in the 1977 program. We examined program administration to determine whether the improvements were made, and found that the city's planning, administration,

and monitoring of the program were disorganized and ineffective. Labor's monitoring of the program was also ineffective.

The city was weak in managing the program, but Labor's regional office also failed in its responsibility to see that the city ran the program adequately. Thus, both the city and the Federal Government contributed to the problems we observed in program planning, administration, and monitoring.

Planning problems

During the 7 weeks that the New York City program lasted, meaningful work was to be provided at about 5,200 locations to about 70,000 youths. For a program of this magnitude to be successful, good planning is essential. The planning process should consist of selecting responsible project sponsors, reviewing work plans, and establishing a comprehensive monitoring program to identify and correct problems. Unfortunately, project sponsors generally were not selected on the basis of merit; the program became operational before all work plans had been submitted or reviewed; the monitoring plans of the city were not fully developed and monitors were not always adequately trained. As a result, we believe the program was handicapped from the beginning in its ability to be controlled and to achieve stated goals.

Inadequate project sponsor selection

The project sponsors are the critical element in this program because they develop the work opportunities and provide services directly to enrollees. However, the process of selecting sponsors was not based on merit. Frequently, past sponsors were selected without an evaluation of their previous performance. We believe that this process of refunding sponsors, especially poor ones, contributed to the lax atmosphere and the attitude that the program was basically a welfare program rather than an employment program.

For the 1976 program, the city allocated a quota of jobs to the previous year's sponsors without formal evaluation of their past performance. In response to criticism, Labor directed the city to revise its practice and to evaluate the performance of each of its 1976 sponsors before making its 1977 selection.

The city abolished the quota, but continued to emphasize the selection of sponsors having previous experience with this program. By removing the quota, the city, in effect, removed a "ceiling" on the number of enrollees former sponsors were assigned, which enabled them to receive an even larger percentage of job slots in 1977 than previously.

In 1977, job slots were first divided among the city's five boroughs based on their proportion of economically disadvantaged youths. The city then allocated jobs to sponsors which had previously operated summer programs, generally in proportion to the allocations of the past year. New project sponsors were then considered for the remainder of the job slots based on the merits of their proposals. In 1977, the city allocated its job slots to sponsors as follows:

Type of sponsors	Number	Job slots allocated	Percent of jobs allocated
Community corporations/ citywide organizations	a/39	54,324	78
Other past sponsors	b/64	11,381	16
New sponsors	36	4,300	6
Total	b/139	70,005	100

a/The city subsequently operated the program of one of these sponsors after a Labor investigation confirmed allegations of irregularities.

b/Includes one organization that operated a program without a contract. The city decided not to approve this sponsor's proposal in the program's sixth week.

The community corporations and citywide organizations are the primary deliverers of antipoverty services under various city and Federal programs. There were 39 of these organizations in the 1976 program and all but one was refunded in 1977. As shown, the 36 new project sponsors shared only 6 percent of the jobs. In contrast, the 1976 program included 54 new project sponsors which were allocated about 9 percent of the jobs.

Ineffective evaluation of project sponsors

In early May 1977, Labor requested the city to evaluate 1976 sponsors prior to final selection of 1977 sponsors and

to submit these evaluations to Labor for review. However, planning grants had been awarded to the city in early April before this request, and the city had selected major project sponsors as early as February. The evaluation results were originally due May 20, but were not obtained by Labor until June 30--2 working days before the program started. Labor also failed to insist that the results of these evaluations be used in selecting sponsors, thus causing evaluations to be largely wasted and not used for improvements in project sponsor selection. Labor's Deputy Associate Regional Administrator stated, in retrospect, that Labor should have obtained the evaluation results sooner.

The project sponsor evaluations were also deficient in other respects. For these evaluations, the city developed a way to rate project sponsors' performance on a scale of 100 points as follows

--program operations and administration (70 points) and

--payroll administration and operation (30 points).

The rating plan provided that sponsors with overall scores below 70 would not be considered for a contract unless they were able to satisfactorily demonstrate the capacity to improve their programs. The city also required sponsors to submit plans for improving their performance. However, the sponsors rated below 70 were not forced to submit improvement plans and demonstrate the capacity to improve their programs before being considered for a contract. The city's Associate Commissioner of Employment told us that he did not consider the results useful because there were too many subjective variables. He pointed out, for example, that evaluations were dependent on program officials' judgments because there was not enough documentation of prior performance.

The evaluation results represented the opinions of city program officials who had been working with these project sponsors during the 1976 program. Although not used as a selection criterion, the results led the city to establish a technical assistance team midway through the program to provide assistance to sponsors that received low ratings.

Evaluation results indicated marginal performance by many project sponsors in 1976. The ratings averaged 73 points--3 above the critical score of 70--and 36 of 119 project sponsors assessed were rated less than 70. Ratings of the 99 sponsors that participated in both the 1976 and 1977 programs were as follows.

Rating	Number of project sponsors	1977 jobs allocated	Percent of total enrollment
90 and over	4	1,366	2
80-89	22	10,882	16
70-79	44	24,910	35
60-69	19	15,098	22
Less than 60	10	13,208	19
Total	99	65,464	a/94

a/The remaining 6 percent of the job slots, about 4,500, were allocated to the 39 project sponsors in 1977 which were not rated for the 1976 program.

It is important to note that 41 percent of the slots were allocated to sponsors rated 69 or less. Of the 39 community corporations and citywide organizations which were automatically selected, 17 scored below 70 and their average score was 70.6.

It is clear that many sponsors were refunded regardless of their performance in prior years. The city's method of selecting sponsors does little to encourage them to improve their programs and might perpetuate program deficiencies.

Program operations started before all plans were submitted and reviewed

Project sponsors submitted work proposals--called project operating plans--to city program managers to inform them of the specifics of the planned program including the location of each worksite and its planned activities. These project operating plans were incorporated into the contracts between the city and the project sponsors. Although a prompt and thorough review of the project operating plans is essential, about half of the plans were submitted late; city program officials did not finish reviewing and approving all the plans until the week before the program ended; and no contracts were finalized until the last day of the program. Consequently, the city was not in a position to effectively manage program operations.

The project operating plans are key documents supporting program operations. They include budgetary and programmatic information, as well as agreements with work sponsors which

detail the location and nature of activities at worksites, and the number of enrollees to be assigned to each site. Project sponsors submit preliminary plans, but only the project operating plans contain final details of planned activities. After reviewing the plans, city program managers will request final changes if they note illegal activities or are otherwise not satisfied with particulars of the planned program. These changes are then incorporated into contract documents and submitted to the city's Board of Estimate for final approval.

Only about half of the project sponsors had submitted complete plans by the start of the program according to the director. Originally, the plans were to have been submitted by April 22. However, in early June, those plans which had been submitted were returned to the sponsors and were to be revised by June 15 because

--the city received a second allocation of funds on June 3 increasing the number of youths who could be employed from 58,810 to about 70,000 and

--Labor requested that the plans match allocated slots with jobs.

The city had correctly anticipated the amount of the second allocation of funds as early as March 1977, and had required sponsors to plan for this eventuality. Therefore, the city should have furnished project sponsors with instructions on procedures for amending their plans when the second allocation was received, and eliminated the need to return the submitted plans.

Labor's request following the second allocation also called for a detailed listing of the number of enrollees to be assigned specific jobs. The operating plans had originally required a description of the nature of the jobs, but had not required project sponsors to state how many enrollees would be assigned to each type job. We believe that, in order to adequately evaluate project sponsors' programs, the city should have required data that matched jobs to enrollees in the plans submitted earlier.

The city's Associate Commissioner of Employment told us that he believed that the necessary revisions were so extensive that it would be easier to review complete proposals than to review and match up the contract amendments with the contract proposals submitted earlier. This is why those

plans which had already been submitted were returned for revision. Labor officials did not learn of the city's action until after the plans were returned, and only then informed the city that revisions could have been made through plan amendments. As a result of returning the plans combined with the sponsors' late submissions, the city did not have all plans until July 18--2 weeks after program operations began. Consequently, the first project operating plan was approved during the third week, and the last during the sixth week of the 7-week program. Until plans had been submitted and reviewed, city managers had no record of the location of worksites, how many enrollees were assigned to each, or what the enrollees were doing.

Although contracts were not approved until the program's last day, the sponsors were funded once their operating plans were approved. But, the delay in approving operating plans delayed reimbursement of project sponsors' costs. The delay, however, did not affect enrollees because they were paid directly by the city, but it did affect the program because project sponsors sometimes had difficulty meeting program-related expenses until their plans were approved.

The delay in approving contracts between the city and project sponsors prevented some project sponsors from supplying needed equipment to enrollees. Also, one worksite supervisor told us that some of the project sponsors' employees had stopped working because the project sponsor was unable to pay them.

Inadequate project sponsor proposals

The importance of reviewing operating plans before program operations start is underscored by the changes which the city directed the sponsors to make before the city approved the plans. Although some proposed plans were simply too vague, others, according to city staff reviews, proposed inappropriate or illegal work activities. For example, in its review of the operating plans of two of the six sponsors we reviewed, the city noted that voter registration activities planned by one of the sponsors were prohibited by law while the other sponsor did not adequately specify the nature and location of work activities.

The Labor regional staff found that revisions were needed after the city's initial review of the plans. Thus, the Labor staff orally advised the city's program staff of their observations as each plan was reviewed. However, Labor did not

follow up to determine whether corrections were made. Labor's Deputy Associate Regional Administrator told us that he was waiting until all plans had been reviewed, before he advised the city of where the plans needed improvement. In our opinion, this is not an effective method of assuring that projects are well planned to achieve their goals.

We reviewed the plans of five of the six project sponsors we visited after both the city and Labor had approved them. The city operated the sixth project without an operating plan. We found some plans were still vague regarding the provision of counseling and training services. We also found that 1 of the 18 work sponsor agreements provided for unallowable recreational activity including sports events such as playing basketball, volleyball, tennis, and recreational trips.

The New York City Comptroller's report on the review 1/ of this program conducted before final approval of contracts between the city and the sponsors by the Board of Estimate, reported that listings of worksites submitted to his office were in some cases incomplete, inaccurate, or illegible. The Board of Estimate's approval was sought on the last day of program operations. Before the board voted on the contracts, a member of the Comptroller's staff informed the board that the audit had identified numerous examples of mismanagement and poor planning. He further stated that program expenditures were made prior to the city's review of the contracts. However, he recommended that the board approve the contracts because doing otherwise would leave the city without Federal program funds. The resolution to approve the contracts was approved unanimously.

Registration problems

Youths were instructed through a publicity campaign on how to apply for positions in the program. Registration was conducted on a first-come-first-served basis, mostly during April and early May. Reports from Labor and city sources stated that registration methods sometimes resulted in rowdyism and ineligible youths being enrolled. A more equitable and orderly process would improve registration.

1/Report entitled "Performance Audit of the City's Summer Youth Employment and Recreation Programs," Dec. 13, 1977.

Information on the program was announced in local newspapers, schools, and in reports of the project sponsors themselves. Youths were instructed to bring a certification of family income, photographs, and proof of age and residence with them to designated registration sites. Family income validation forms were available at many locations including schools and project sponsors. Registration was conducted at 340 sites throughout the city, and was complete before the program started, although limited registration to replace program dropouts took place later.

Impact of registration method

Federal regulations provide only that registration opportunities be available to all segments of the eligible population and that registration be carried out in a fair manner. However, because of possible irregularities in selecting enrollees for the city's 1976 program, Labor required that 1977 enrollees be selected on a first-come-first-served basis in New York City. This procedure resulted in long, disorderly, and in some instances all-night lines, creating a situation where the strongest ruled. Labor and city officials admitted that this was a problem.

One project sponsor official told us that he had arrived at his registration site at 4:00 a.m. and found a disorderly line and noted that stronger youths had pushed themselves to the front of the line. The city Comptroller and a Labor task force discussed similar occurrences in their reports.

Although registration began at some locations in early April, the Labor staff did not begin its regular monitoring of registration sites until the end of May, when much of the registration had already been completed. They visited 39 smaller sites and reported no crowd control problems.

Our review began after much of the registration had already taken place. We visited four registration sites and observed police at each. City officials informed us that local police were notified of scheduled registrations but, even after discipline problems had occurred at some places, the police were not necessarily notified of the potential for problems until applicants began to line up at registration sites.

The first-come-first-served registration process also caused many work sponsors to drop out of the program, thus contributing to the problem of too few jobs to productively employ enrollees. The city's program director had originally estimated that there would be about 9,000 worksites; however, many withdrew upon learning that they would not participate in enrollee selection and work assignment. As a result, about 5,200 worksites were actually available.

Income eligibility problems

The Congress designed this program to employ economically disadvantaged youths. To prove their eligibility, youths financially dependent on a parent or guardian were to bring to the registration, income validation statements certified by that adult. Financially independent youths certified their own forms. However, questions arose as to the accuracy of the income information supplied and led Labor to question the eligibility of some of the enrollees.

The validation statement requires a certification as to total family income, but does not specify any penalty for false information. No support is required, such as a W-2 or income tax form. The 1977 income validation statement was somewhat improved over that used in 1976, because it requires the enrollee's telephone number and the identity and social security number of all family members contributing to the family's income.

Labor reported dissatisfaction with registration procedures to the city. Project sponsor personnel reviewed registrants' intake forms before they were enrolled by city representatives at the site. After the youths were registered by city personnel, Labor monitors reviewed a sample of enrollees' intake documentation.

The Labor monitors noted income validation forms which showed family income precisely at the maximum allowable, or income which was unrealistically low considering the family size, or which was over the maximum allowed. In many instances, the forms had been altered. Labor monitors also witnessed the project sponsor staff helping registrants change income validation forms so they could meet the eligibility criteria at the time of registration.

Concern over the registration practices as well as some specific problems, led the Labor staff to meet with city officials. We were told by Labor's regional staff that at

the meeting city officials requested them to require, in writing, that the city verify income reported for certain enrollees, and in certain instances requested that they follow up questioned income itself. Labor concluded that the city took action on registration problems only when pressed.

In some instances in which Labor required the city to verify enrollee eligibility, the city complied. For example, for one location which had registered 100 participants, the city requested income verification for all enrollees. As a result, 2 were found ineligible and 35 did not supply the information; the 37 were removed from the program. At another location where Labor questioned the eligibility of six enrollees, one was removed.

Labor usually documented its concerns by letters to the city requesting corrective action. But, the city did not always resolve Labor's questions. The Labor task force reported that 11 percent of enrollees interviewed were possibly ineligible and recommended that this matter be studied further.

Efforts to assure that only eligible persons are enrolled in this program are of serious concern, when there are only 70,000 jobs available for distribution among 700,000 potentially eligible youths.

Monitoring problems

To assure that the program was operating in an effective manner, the city hired about 200 temporary monitors to visit project sponsors and worksites. These monitors became the city's "eyes and ears" on operations. Their comments were to be the basis for controlling the 1977 program as well as for evaluating project sponsors' performance to determine participation in future years' programs. However, the monitoring program was not well-planned or administered; the monitoring staff was not adequately trained; many project sponsors and work locations were not visited; problems noted were frequently not followed up on; and 30 of the 40 monitors' reports we reviewed were either incomplete or inaccurate. As a result, monitoring was a less effective control mechanism than it might have been. Further, the lack of firm data on sponsors' performance might hamper the city in its efforts to select good sponsors in future years.

To insure compliance with worksite agreements and the terms and conditions of all contracts, Labor required that prime sponsors monitor and evaluate all program activities. The city stated in its grant application that it would monitor project sponsors to assure fiscal and programmatic contract compliance, and each worksite to

--determine the quality of the work experience,

--assess the quality and effectiveness of supervision,

--insure the absence of sanitary and safety problems, and

--insure that enrollees and site officials were not engaged in prohibited activities.

The city's original goal was to visit each project sponsor and worksite. Topics to be addressed were set out on a monitoring form. Monitors were required to report all problems noted during their site visits to city program officials. If the problem was serious, the official or the monitor was to make a return visit to the site to investigate further and assure that the matter was resolved.

The city's monitoring program was not well organized

In early May 1977, Labor's regional office requested the city to develop written procedures for monitoring program and work sponsors including developing new monitoring forms and a schedule of monitoring visits. In addition, it offered technical assistance to the city to develop a monitor training session. Although monitoring forms were developed before the program started, monitor training was weak, the city did not have a complete schedule for monitoring until the fourth week of the program, and it never developed overall written monitoring procedures.

The forms developed with Labor's assistance and approval, were adequate for city monitors to use as a guide in addressing program effectiveness as well as contract compliance. The project sponsor monitoring report was used to determine compliance with the contractual requirements of providing services, supervising worksites, and recordkeeping. The monitoring report addressed enrollee supervision and attendance, the nature of work activities, and the quality of the work experience.

With Labor's assistance, the city developed and provided training for its monitors just before program operations started. This training was essential for those monitors not familiar with the program or with evaluation techniques.

The training covered program rules, regulations, and techniques for worksite visits and interviews. It did not adequately address how to assess the quality of work experience being provided, which was, we believe, one of the most critical elements to be covered during the evaluation.

The training was provided by a city staff totally unfamiliar with the program. We were told by a training official that the training would have been more informative had a knowledgeable city program staff been present to augment the training and provide better answers to questions. The director of the training program stated that monitors with no prior experience should have received more training to adequately prepare them for their duties. Labor officials criticized the city's training program for monitors because not enough time was devoted to training sessions and city area managers did not attend the sessions. The city program director stated that despite some formal training, monitors learned most of their review techniques on the job. Thirty or more monitors who were unable to attend the training session because of registration activities had to also learn while on the job.

The lack of written procedures for conducting monitoring visits and completing the monitoring forms is significant in light of monitors' inexperience and condensed or lack of training. A 7-week program is not enough time to learn on the job.

Labor requested that the city prepare a monitoring schedule to assure complete coverage of all locations, giving priority to sites which had experienced problems in the past. However, because many work location lists were submitted late, the city was unable to complete a schedule until the program's fourth week. This hindered the implementation of a priority monitoring system.

Monitoring coverage

The city's monitoring goals fluctuated during the course of the summer. Although monitoring of all activities was required and originally planned, revised monitoring plans prepared in the second week of program operations showed

reduced goals. The revised plan provided full coverage of project sponsors, a more intense coverage of problem sponsors, but substantially less coverage of work sponsors and other worksites.

Labor learned of this revised plan in the third week of the program, and more than a week later, instructed that all sites be visited. This was not accomplished. City officials claimed monitors visited 97 of 138 project sponsors, and 3,801 of the almost 5,200 work locations. As a result, for those sponsors and sites never visited, the city had no way of knowing whether contract requirements or program goals were being met.

Monitoring effectiveness

Out of the 40 monitoring reports we examined that were prepared by city monitors, three fourths were either incomplete or inaccurate. Further, only about half of the problems identified in the reports were followed up on, and when pursued, not always resolved. We believe that the poor quality of monitoring resulted in inadequate information to effectively manage the 1977 program and to develop meaningful evaluations to use in preparing future programs.

The 40 reports were on 9 worksites visited by our staff and city staff; 6 sites visited by both our staff and city staff on different occasions; and 25 sites monitored only by city staff.

We examined 24 of the reports and found significant omissions, such as monitors failing to comment on the quality of work experience or failing to report attendance or both. We further found monitoring reports on 9 of 15 sites visited by both our staff and city staff, to be inaccurate or misleading. For example:

--We accompanied city staff to one location where our staff noted numerous problems including insufficient work, condensed work schedules, lax enforcement of program rules, and enrollees not being provided needed remedial training. (The monitor reported none of these problems.)

--A city monitor reported that a site was providing a good work experience while also reporting that enrollees had little work. Our staff had accompanied the monitor and found all 18 enrollees assigned to

community assistance functions sitting in an office doing nothing. After we brought the inconsistency to the monitor's attention, she reported the lack of work as a problem requiring immediate resolution.

--A city staff member monitored a worksite on the same day we visited the site. The monitor reported attendance and activities inconsistent with our findings. We questioned the worksite director about the inconsistencies. He confirmed our findings and stated that the monitor had made a very brief visit to the site and had not inquired about attendance or work activities.

Problems noted in monitoring reports were not always followed up on, and when pursued, not always resolved. Comments in 17 of the reports we reviewed indicated problems such as insufficient work, prohibited activities, lax attendance procedures, and lack of supervision. The city requested followup as a result of the comments in nine reports, but, problems noted in five of the nine were not resolved.

The Labor staff also reviewed monitors' reports to determine whether reported problems were followed up on. They advised us that the city usually did not pursue problems noted in reports. Labor instructed the city to improve monitoring quality, but never followed up to determine whether any improvements were made. The officials believed that monitors did not recognize problem situations. The city's program director attributed the problem to the monitors' unfamiliarity with the program. These problems, related to monitoring quality, underscore the need for improved staff training and supervision.

Limited coordination with the summer feeding program

There was very little coordination by the city with the federally funded summer feeding program. Labor's Summer Program for Economically Disadvantaged Youth and Agriculture's summer feeding program are often operated by the same sponsors in New York City. The summer feeding program provides jobs under which summer youth employment program participants distribute meals, clean up, and supervise the participants in recreational activities. Labor was to have arranged for the coordination of the monitoring of these two programs.

The need for coordination was demonstrated by a Labor investigation which found some staff of one 1976 Summer Program for Economically Disadvantaged Youth project sponsor simultaneously employed in the summer feeding program. At one of the six project sponsors we reviewed (a different sponsor from the one Labor investigated), we found indications that a similar situation had occurred during that sponsor's 1976 program.

City summer youth employment program officials met on May 20, 1977, to discuss the summer youth employment program with a representative of the New York State Education Department, which administered the summer feeding program. At the meeting, the State representative provided a listing of feeding program sponsors. The city did not provide the State with a list of its sites until after the feeding program had started. Regardless, the information exchanged was not used.

As an illustration of the failure to coordinate these two programs, one of the six project sponsors we reviewed had applied to sponsor a summer feeding program. The city approved the sponsor's plan to employ 76 youths at proposed feeding sites, however, irregularities in the sponsor's 1976 feeding program delayed the approval and start of its 1977 feeding program. In the second week of the employment program, the city learned that the sponsor did not have an operating food program and was not productively employing the enrollees. The city ordered reassignments for the 76 enrollees. If the city had checked the list of summer feeding sponsors it received in May from the State, it would have noticed that the sponsor was not on it. The city could have then questioned whether this sponsor would have food distribution activities.

This exchange of lists of sponsors was the only coordination that took place between the two groups. There was no coordination of monitoring efforts. It would seem that close coordination between these two programs could be easily accomplished and is essential to eliminate the types of problems previously experienced.

Labor and city staffing

The Summer Program for Economically Disadvantaged Youth in New York City is administered as a year-round program. Planning begins in January or earlier, and final reports are not completed by the city until December. However, neither

Labor nor the city staff has been assigned on a year-round basis. The number of staff, particularly at Labor, administering the 1977 program was relatively low considering the size of the program and prior problems. These factors might have changed the planning and administration of the city's program.

The city's 1977 grant provided administrative funds for the program on a year-round basis for the first time. Grants from past years funded administrative personnel for part of the year only. The city assigned responsibilities under the 1977 program to about 84 individuals, but each was also assigned responsibilities under other youth employment and training programs. This group included the program director, who told us that because of these other responsibilities neither she nor her staff were able to give the program the attention it needed. Labor officials also voiced this opinion of the city's effort.

However, the Labor staff was in a similar position to that of the city. Labor assigned only two year-round and two summer employees to oversee this program. The two year-round employees also had responsibilities under other Labor employment and training grants in New York City. Labor has recognized problems with the New York City program for at least 2 years, but assigned such a small staff that a Labor official said its efforts could be characterized as reactionary. Few of Labor's new requirements for the 1977 program led to any substantive improvements. Although directives issued by Labor were generally well-founded, in most cases the Labor staff did not guarantee that action was taken and that the desired results were achieved.

The need for effective planning, direction, and control for this program has been demonstrated and the problems found, emphasize the need to strengthen its administration. It is evident that for Labor to be able to provide any assurance that the city is striving to meet the program's goals, a good deal more involvement is needed.

CONCLUSIONS

The Summer Program for Economically Disadvantaged Youth in New York City affected about 70,000 youths in 1977. Both the Federal and city governments intended this program to benefit the youths by enhancing their future employability. Although some projects we visited provided useful experience for youth, most had problems, and many of the worksites

operated programs which did not meet program goals. When youths are paid for doing little or no work, when they witness disorganization, and when they see themselves and others being paid even though they were late or absent, they do not gain valuable experience; they learn poor work habits. In instances where youths experience this type of environment, any poor work habits learned will offset any benefits received.

Although there are complexities in managing a program of this magnitude operating for only 7 weeks, the city and Labor have had several years to develop management systems. We blame poor administration and a lack of commitment for the program problems. The city, however, did not carry out its planning process expeditiously. Its planning process, methods of selecting project sponsors, registering enrollees, and monitoring of project and work sponsors' operations were not designed or implemented in a manner that would assure meeting program goals.

There was very little effort made by Labor to assure that the city met its program goals. Although Labor officials claimed to view the 1977 program as a work experience program, rather than an income maintenance one, this new policy was not effectively implemented by the program operators. Adequate oversight of a program with 70,000 enrollees by a staff the size of that assigned by Labor in New York City is practically impossible, especially in light of the recurring problems.

Satisfactory planning by program sponsors that understand program goals and are capable of conducting a program which would meet those goals, should enable the city to operate a successful program. It is Labor's responsibility to assure that these elements are in place, and therefore, that a successful program is possible.

RECOMMENDATIONS

For future summer youth employment programs in New York City, we recommend that the Secretary of Labor:

--Set firm planning deadlines with specific Labor involvement, to guarantee that the evolving program is designed to meet program objectives. The planning should include assurance that an adequate number of jobs are available for the enrollees and that project and work sponsors understand and comply with the intent and goals of the program.

--Require that all sponsor selections are based on the merits of proposals and effectiveness of past performance. Mediocre or poor program operators should not be retained in the program unless they can clearly show how improvements will be made.

--Work with the city to develop a better method of conducting registration to eliminate all-night lines and rowdyism. The new procedure should include a method that would match youths with work in which they have some interest.

--Require the city to strengthen its monitoring procedures. This would include assuring that monitoring begins when the program begins; that monitors have adequate training to evaluate program operations; that evaluation forms are complete and accurate; that problems noted are followed up on; and that all worksites and program sponsors are visited at least once during program operations.

--Be certain that effective coordination is carried out between the Summer Program for Economically Disadvantaged Youth and the Federal summer feeding program.

--Require the city to revise the income eligibility form to provide a penalty for falsification of data.

--Require that the city devise a time card which specifies a penalty for falsification and make sure that project sponsors are informed that enrollees are not to be paid for work when they are absent. Prime sponsor monitors should be required to record time and attendance during their site visits and check them against submitted time cards. Any differences should be resolved before an enrollee is paid for the period in question.

We also recommend that the Secretary increase the number of Labor monitors for the summer youth program in New York City and make certain that these monitors devote adequate resources to oversight of this program. If problems persist with the New York City program, the Secretary should explore alternate methods of delivering the program.

APPENDIX II

The City of New York

HUMAN RESOURCES ADMINISTRATION
DEPARTMENT OF EMPLOYMENT/M.C.D.A.
220 CHURCH STREET, NEW YORK, N.Y. 10013

STANLEY BREZENOFF
Commissioner

June 14, 1978

Mr. Gregory J. Ahart, Director
Human Resources Division
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.D. 20548

Dear Mr. Ahart:

The Department of Employment of the City of New York, is is receipt of the GAO's draft report, "Poor Administration of the 1977 Summer Program for Economically Disadvantaged Youth in New York City." We concur with the basic findings of the report as to the deficiencies in the 1977 summer program. However, we wish to make note of the specific changes and improvements that are in the process of being implemented for the 1978 summer program as they relate to the specifics of the report.

The Summer Youth Employment Program from its inception has been plagued by administrative and programmatic problems. These problems have resulted from internal deficiencies in the administrative structure of the program and from inherent weaknesses in the program's design. Changes have been instituted for the purpose of remedying these problems and increasing the overall effectiveness of the program.

The Department of Employment's response to GAO's findings (in quotes) is as follows:

PLANNING:

"Inadequate planning resulted in an insufficient number of productive jobs and a lack of control by the City over program operations and thus over the use of Federal funds."

Beginning in October, 1977 a special task force composed of the U.S. Department of Labor Regional Office and City of New York officials scheduled regular meetings to address both the strenghts and weaknesses in the operation of the 1977 program and to develop specific plans of action in preparation for the operation of the 1978 Summer Youth Employment Program.

These discussions culminated in the publication of the City of New York's Policies and Procedures for the Summer Youth Employment Program on March 8, 1978. Meetings continue between the U.S. Department of Labor and the City of New York's Department of Employment to review progress and identify problems.

The purpose of the 1978 Summer Youth Employment Program remains the same as in 1977, i.e., to enhance the future employability of youth and to increase their chances of attaining a planned occupational goal. More specifically, our purposes are to encourage youth enrolled in school to remain in school by providing them with funds to continue their education and/or to assist youth not enrolled in school to develop a realistic career plan and to provide them with counseling necessary to overcome the significant barriers to employment that such youth face.

Because of the problems encountered last year in structuring and implementing formal counseling and remedial training components the Department of Employment has limited the 1978 program to work experience activities only. The future employability of the disadvantaged youth who participate in the program can best be accomplished by concentrating on the development of employment skills and appropriate attitudes toward work. Thus work experience, job related counseling and work related training are the only permissible activities in which participants may engage during the 1978 Summer Program.

SUMMER FEEDING PROGRAM:

"There was very little coordination by the City with the federally funded Summer Feeding Program. Labor's Summer Program for Economically Disadvantaged Youth and Agriculture's Summer Feeding Program are often operated by the same sponsors in New York City."

In order to improve coordination the Department of Employment has been in close contact with the U.S. Department of Agriculture concerning the Summer Lunch Feeding Program. The Department of Employment is in receipt of a list of recommended and approved feeding sites as well as locations not recommended. These will be compared with the Department of Employment's listings of project sponsors and work sponsors to facilitate monitoring and evaluation by identifying sites serving as both feeding and work experience locations so that those participants under the Summer Youth Employment Program will not be confused with members of other programs who might be engaged in activities prohibited by SYEP guidelines.

Because of the problems encountered when participants are involved with the Summer Lunch Feeding Program the Department of Employment has instituted specific rules governing their employment in this activity.

Participants may not be assigned to work for any vendor participating in the Summer Lunch Feeding Program or act in any capacity on the part of the vendor. Participants may assist in the clean-up and maintenance of the eating areas and serve as supervisory aides, but these tasks may not constitute a full-time work assignment. These duties may be performed on a part-time basis only.

ADMINISTRATION:

"The Summer Program for Economically Disadvantaged Youth in New York City is administered as a year-round program. However, the city staff has (not) been assigned on a year-round basis."

To deal effectively with the administrative and programmatic problem inherent in past summer programs, the Department of Employment has established a separate organizational structure for the Summer Youth Employment Program to be staffed on a year-round basis. This structure will give continuity to the program that it has lacked in the past. It will allow DOE to engage in more extensive preprogram planning and to isolate and correct any deficiencies as early as possible. It will also permit DOE to design and implement a comprehensive evaluative instrument that can be used from one year to the next to identify the most effective sponsors. Unfortunately, this new system was only recently designed so that this year's program faces the same timetable as previous years. Next year the effects of this system should be apparent, however.

SELECTION OF PROJECT SPONSORS:

"Prior year's project sponsors were generally refunded with little consideration of their past performance; major sponsors were automatically refunded."

This year, the Department of Employment developed a new strategy to select project sponsors. All year-round public and private non-profit organizations within the City and with the capacity to develop at least 200 summer jobs for youth were encouraged to apply for sponsorship.

At the conclusion of the 1977 Summer Youth Employment Program, DOE evaluated each project sponsor on various programmatic activities and a final rating ("satisfactory," "needs improvement," "unsatisfactory") was given. This report was used as one of the criteria for determining sponsorship in the 1978 Summer Youth Employment Program. If a project sponsor received a "needs improvement" rating, a corrective action plan was required. If the project sponsor received an "unsatisfactory" rating, the sponsor was eliminated from consideration unless it was demonstrated that extenuating circumstances provided the basis for this rating and extraordinary efforts had been made to correct past deficiencies.

1977 project sponsors were also evaluated in terms of fiscal management. If an audit report questioned a 1977 project sponsor's costs, the sponsor was required to submit a corrective action plan on the final disposition of such costs. If the sponsor failed to close out his 1977 Summer Program (i.e. submit a final CAMFR), the sponsor was eliminated from consideration for the 1978 program. Individual work sites were evaluated on the basis of monitoring reports for the 1977 Summer Program. If sites were found to have been in serious violation of the rules and regulations governing the operation of the SYEP program, they were not considered for participation in the 1978 Summer Program. Sites found to have less serious problems were required to submit a corrective action plan addressing the steps taken to correct the situation.

The selection of sponsors for the 1978 Summer Program was made by an extensive review process to screen project sponsor preapplications and work sponsor agreements. Prospective sponsors were evaluated according to previous performances under contract with the City of New York and on the merits of their proposals for sponsorship.

The Project Sponsor Preapplications were reviewed to determine the organization's ability to successfully organize and administer a summer program and to develop worthwhile and well supervised jobs for youth. The Work Sponsor Agreements were reviewed to determine that a genuine and well structured work experience would be offered and that the jobs themselves would not violate any rules and regulations.

The special experience requirements, added this year, were reviewed to assure that the qualifications were non-discriminatory and that they related to the tasks to be performed. These special experience requirements were made part of the youth job descriptions in order to facilitate the matching of applicants to the available jobs. The agreements were further reviewed to determine the work sponsor's knowledge and understanding of his responsibilities.

This year, as GAO recommended, the work sponsor agreement required that sponsors identify the actual number of jobs available under each job description. This measure was instituted to uncover any overloading at sites or job duplications and to aid monitoring staff members on their field visits.

RECRUITMENT - INTAKE:

"The method of registering youths gave rise to questions about the income eligibility of some of the enrollees and reportedly resulted in all-night lines and rowdyism."

The implementation of the first-come, first-served registration procedure last year resulted in long lines on city streets and some inequities in hiring practices. To eliminate these problems, as well as to ensure that every eligible youth has an equal opportunity to secure a summer job, DOE nas developed a modified lottery approach for the selection and enrollment of participants. Youth were allowed to apply to any project sponsor of their choice. The order in which eligible youth will be interviewed for job placement will be determined by random selection.

A city-wide recruitment strategy was devised by DOE to permit youth to apply for jobs according to their preference and in a manner that was equitable according to the limited number of jobs available. Approximately 900,000 youth applications, in English and Spanish, were distributed city-wide so that all youth would have the opportunity to learn about the program. In addition, announcements were published in local newspapers stating the date and locations where those interested could apply for summer program employment. Designated project sponsors participated in the recruitment of job applicants. Project sponsors were obligated to accept the application of any youth wishing to apply to their organization. Project sponsors were also required to give receipts to the applicants.

From the eligible applications received, DOE prepared final listings of a random selection of applicants according to project sponsors. Final lists reflect no preferred odering scheme. Partial listings, representing a percentage of the master list and reflecting the order of random selection, will be given to the project sponsors. Project sponsors must notify and interview the youth in the order of their appearance on the list; only youth whose names appear on the list will be interviewed.

In an attempt to match youth with jobs that interest them, the youth were requested to indicate three job preferences on their applications. At the time of the interview, project sponsors will attempt to match the youth's job preferences with comparable jobs available at the work sponsor locations. At the time he/she will be assigned a specific job, the project sponsor will complete all necessary hiring documents. If an applicant from the list is rejected, project sponsors will be required to give him/her in writing, the specific reason(s) for the rejection, and to submit a duplicate copy of each written notification to DOE.

DOE staff will be sent to all interview and hire sites to monitor the interview and hire process. They will be especially sensitive to instances of preferential treatment of youth and to violation of Equal Employment Opportunity policies and procedures.

In the event that a project sponsor exhausts its initial list of applicants, additional partial listings will be supplied by DOE.

In order to minimize the possibility of falsification or alteration of income forms the Income Validation Statement was made a part of the youth application. All applications were data processed to determine youth eligibility based on age and income. To verify stated income, project sponsors will request applicants on a random basis, to bring their families' most recent W-2 statement to the interview.

The Department of Social Services will run a computer check for verification of all applicant welfare identification numbers supplied by DOE. The project sponsor will review these documents to verify the applicants' eligibility. DOE staff will be present at the interview and hire sites to monitor this process. Although this year's Income Validation Statement does not specify any penalty for false information, DOE will take under advisement your recommendation for inclusion of such a provision next year.

PROJECT OPERATING PLANS:

"The project operating plans are key documents supporting program operations. Although prompt and thorough review of the project operating plans is essential, about half of the plans were submitted late; city program officials did not finish reviewing and approving all the plans until the week before the program ended; and no contracts were finalized until the last day of the program. Consequently, the City was not in a position to effectively manage program operations."

In determining a project sponsor's slot allocation, DOE considered both the number of approved job commitments and the number of eligible youth applications received by an organization. The past performance of a sponsor was also a factor in determining their allocation. This is a radical departure from past years when an organization was given a predetermined slot allocation.

Since the slot allocation was dependent upon the demand for jobs to an agency, the allocations could not be made until the application process was complete and the demand computed. However, since the dollar amount of each sponsor's contract is predicated on their slot allocation, contract negotiations could not begin until the final slot allocation was determined in mid-May.

The problems this timetable presents are obvious. Again this year, sponsros will have to incur costs against a not as yet approved contract and monies will not be available to purchase supplies or to pay staff until after the start of the program. However, since the Work Sponsor Agreements were submitted and reviewed at the time of a sponsor's preapplication, and the Narrative Descriptions of the programs were finalized before the negotiation of the contract we are confident that the contract flow process can be concluded in a more expeditious manner than last year.

In an attempt to alleviate the immediate cash flow problem of our sponsors, DOE will enter into short-term contracts (under $10,000) with our sponsors for the term May 22 - June 30. These contracts are scheduled to be approved by the City's Board of Estimate on June 9. However, no money will be released until the Department of Employment has reviewed and approved the negotiated full-term contract. The Department of Employment will continue to seek ways to improve this process for subsequent programs.

MONITORING:

"City monitoring of the program was not effective because monitors were not adequately trained, many work sites were not visited, and problems noted were frequently not followed up to insure corrective action. Furthermore, monitors frequently did not address the most important matter--the effectiveness of the program they were observing."

The Department of Employment has made a considerable effort to improve the effectiveness of the monitoring system for the 1978 Summer Program.

Prior to the start of the program DOE intends to monitor a substantial sampling of the work sites to be used in the 1978 program. Although the Department will not be able to monitor every proposed work site, as part of its contract with DOE, the project sponsor will assure that it will monitor each of its sites prior to the start of the program.

DOE will give monitoring priority to work sites which previously participated in the summer program and were found to have problems in programmatic and/or administrative areas (ensuring that past deficiencies have been corrected); sites found to have questionable programmatic activities (as stated in the Work Sponsor Agreement); and sites serving more than one project sponsor (to ensure that the work site has the capacity to service all youth requested). Project sponsors will be notified if any work sites fail DOE's inspection and will be given a three (3) working day time period to take corrective action.

DOE intends to monitor all project sponsors and all work sites at least once during the operation of the program. In cases where a project sponsor has an inordinate number of work locations, i.e., over 300, DOE will monitor a minimum of 75% of the total sites. All sites will be monitored by the project sponsor. Therefore, sites DOE is unable to monitor will be covered by the project sponsor. A complete monitoring schedule will be compiled prior to the start of the program and will be continually updated to reflect more substantive data which can be later used to evaluate the program more fully. In addition DOE will supply all project sponsors with standardized monitoring forms to be used for monitoring their work sponsors.

The project sponsor must maintain a file of all monitoring reports subject to inspection by DOE staff and demonstrate to DOE that appropriate action was taken when needed.

DOE has instituted a written procedure for the monitoring of work sites and follow-up of any problems. In cases where monitoring visits by DOE staff indicate a problem requiring immediate action, the following steps will be taken:

1. The monitor will immediately alert the work site supervisor to his finding and provide technical assistance for the resolution of the problem;

2. A report will be completed by the monitor on the same day describing the violation, the action taken and the proposed follow-up;

3. The monitor will submit his report and review his findings with his supervisor;

4. The following day DOE will notify the project sponsor by telephone of the reported violation and the necessary corrective action to be taken;

5. Following the telephone conversation, DOE will send a letter to the project sponsor and a copy to the work sponsor, specifying a deadline date for corrective follow-up of the violation;

6. The monitor will make a repeat visit to the site by the deadline date to ensure that corrective action has been taken and the situation remedied, and report his findings to his supervisor;

7. DOE will maintain a log of all monitoring reports, documenting the disposition of cases requiring corrective action;

8. All documentation will become part of the project sponsor's permanent file;

9. Work sponsors found in need of corrective action will have a maximum of three (3) working days to file a Corrective Action Statement indicating that problems have been resolved;

10. In the event that work sponsors do not complete the required procedures within three (3) days, DOE will take appropriate action such as transferring participants to other work site locations and/or closing down the offending site.

DOE's Unit of Staff Training and Development, in conjunction with experienced Summer Youth Employment Program personnel, conducted training for new summer program staff and for other SYEP staff who will be responsible for monitoring the program during the summer. Staff members were trained on the Policies and Procedures for the 1978 Summer Youth Employment Program, especially as they relate to monitoring activities. Staff was also trained on monitoring techniques. Visual aids and role playing techniques supplemented training. Area Managers participated in these training sessions. Training on the actual monitoring forms and the document flow will be conducted in-house by SYEP supervisory personnel. All training was conducted with the approval of the U.S. Department of Labor Regional Office. Regional office staff members participated in the training sessions.

PARTICIPANT TIME AND ATTENDANCE:

"It appeared that many enrollees were paid for days absent, contrary to Labor's program regulations. This is not a realistic work situation and does not help the enrollee learn good work habits."

As stated in the Policies and Procedures for the 1978 Summer Youth Employment Program, participants must sign-in and sign-out daily on a time card and an attendance sheet to be maintained at the work site. They will be open to inspection by the project sponsor and the Summer Youth Employment Program.

The work sponsor is to submit a time card for each participant assigned to his work sites, to be signed by the appropriate site supervisor every two (2) weeks indicating the actual hours worked. The project sponsor is required to maintain a list of work sponsor supervisors, including their signatures, who are authorized to sign participant time cards, and a list of the participants they supervise.

The project sponsor is not to accept or collect participant time cards from its sites prior to the close of business on the Thursday ending the two week period. The Department of Employment reserves the right to disallow participant pay claims for pre-signed time cards.

Work sites will be monitored to ensure that participant time and attendance are verified and certified to the project sponsor. Monitors will verify attendance against the participant roster. Participants documented as absent, based on individual monitoring reports, will be compared with payroll records to ensure that participants are paid only for time actually worked.

Participant time cards do not specify a penalty for false information but again, DOE will take this recommendation under advisement for next year.

Because many of these plans represent a substantial departure from past programs, they will need refinement throughout the course of the program's operation. The Department of Employment feels confident that through the introduction of our new staffing plan, all problems and/or deficiencies may be resolved in a thorough and expeditious manner. Through intensive and early planning, coupled with a sound administrative network, we are confident that any methodological or systematic flaws can be resolved. Thus, it is with the spirit of enthusiatic optimism that the City of New York shall enter into the implementation and administration of the 1978 Summer Youth Employment Program.

Sincerely,

Stanley Brezenoff

SB/ds

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